



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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To: All CA BLM Employees

From: State Director

Subject: Competitive Sourcing Study

Last April, BLM Director Kathleen Clarke wrote to all employees about the President's Competitive Sourcing initiative. Director Clarke also conducted a teleconference on the subject in April. After a great deal of planning and consultation, BLM's California State office will be starting its first Competitive Sourcing study next month. I'd like to review some of the basics about Competitive Sourcing, tell you about our plans in this state, and let you know how to gain additional information and answers to any questions you may have.

The Competitive Sourcing initiative aims to ensure the American public that all government agencies, including BLM, are providing quality service at the best value. To determine this, studies are conducted which compare the quality and cost of in-house capability to those available from nonfederal providers. The Office of Management and Budget (OMB) required agencies to study 15% of their Full Time Equivalent (FTE) positions identified as "commercial activities" by September 30, 2003. OMB's eventual goal is for agencies to study 50% of their FTE identified as commercial.

Recently, a decision was made to study BLM's real property maintenance activities covering about 370 FTE. This includes positions performing over 20 percent of their work hours in hands-on recreation, facilities, and road maintenance. The Express Review method designed by DOI will be used. Briefly, the Express Review process requires us to:

1. Determine the work requirements of the function under study;
2. Calculate BLM's in-house cost for performing this function;
3. Conduct a Local Market Review to identify the cost for performing this function outside the federal government;
4. Compare the in-house and nonfederal cost; and
5. Decide, based on rules in the DOI Express Review Guide, whether to maintain the function in-house or to contract for the services.

California's Express Review study will begin in April and should be completed in June. McAdams Technologies, Inc. has been selected to help us with this process, which is both highly technical and labor intensive. McAdams Technologies, Inc. will conduct the review in coordination with BLM-California. It is imperative that BLM-CA remains very involved in the process to ensure an accurate assessment of our work and our in-house costs.

Additional information on competitive sourcing and a complete copy of the Express Review Guide can be located at <http://web.blm.gov/csource> and <http://www.doi.gov/pam/competitivesourcing/>. To further assist you in understanding the process, we have attached a list of *General Questions and Answers* regarding Competitive Sourcing. If you have further questions, please talk with your supervisor.

Competitive Sourcing is new territory for all of us. I am confident in our ability to compete successfully in this process.

Signed by:
Karen Barnette
Acting State Director

Authenticated by:
Richard A. Erickson
Records Management

Attachment:
Competitive Sourcing - General Questions and Answers (4 pp)

Competitive Sourcing - General Questions and Answers

What is Competitive Sourcing?

Competitive Sourcing is the process, by which commercial-type activities which are currently performed by governmental agencies are evaluated, re-engineered for efficiency, and where appropriate are offered to the private sector for bidding on a competitive basis in order to ensure that customers, stakeholders, and citizens are provided services at the best possible value. Competitive Sourcing can be accomplished using OMB Circular A-76 methodologies but it is not synonymous with A-76.

Why are we doing this?

President George W. Bush has challenged agencies throughout the federal government to improve service to the public. The Competitive Sourcing Initiative, a part of the President's Management Agenda, directs Federal agencies to identify and implement the most effective and efficient ways to deliver services to our customers.

Beginning in November 2001, the Department of the Interior has issued memoranda to bureaus and agencies to discuss implementation of Competitive Sourcing. By the end of Fiscal Year (FY) 2003, the Office of Management and Budget's goal for all agencies is to complete competitive sourcing studies for commercial activities for at least 15 percent of positions identified in the fiscal year 2001 Commercial Inventory.

The BLM has recently issued Instruction Memorandum No. 2002-182; and IM 2002-182, Change 1; that requires each State to submit their list of competitive sourcing studies they expect to complete to meet the President's 2003 target.

Which jobs will be studied under Competitive Sourcing?

The functions and positions to be studied are selected by management officials in the bureaus/offices in consultation with the Department. BLM has selected the "Maintenance" functions and positions for FY 2003. The BLM has defined maintenance to include those employees with predominant duties defined as "hands-on maintenance" and code 20 percent or more of their time in the H and J series Performance elements (a.k.a. PE's). A full description of the definition can be found in IM 2002-182, Change 1.

How many positions in California will be reviewed?

The BLM estimates that approximately 375 positions in the Maintenance function (Bureauwide) will be studied by the end of FY 2003. In California, approximately 25 positions will be studied by the end of 2003. Should the President's five-year goal of 50% be reached, approximately 1250 positions will eventually be studied bureau wide. We do not know how many California positions that may mean in future years. The President's Management Reform Agenda target is for 50% of the commercial activities to be reviewed within five years.

Why is Competitive Sourcing being emphasized?

It is one of the five elements of the President's Management Agenda. Used judiciously, it can be one of the most effective tools for improving the Federal workforce and lowering the cost of providing services to our customers.

Doesn't Competitive Sourcing mean BLM does not value its employees?

The competitive sourcing effort and requirements have been dictated by the President and Congress and we need to do our best to meet the mandate. We are in a business environment where we must continue to look for opportunities to do our job more efficiently and effectively. Competitive sourcing, first and foremost, is a business approach to make our constrained budget dollars go as far as possible and serve our customers better. We recognize that competitive sourcing will likely have many direct and indirect impacts on our workforce. On the state and local levels we are implementing what measures are under our control to minimize these impacts. Because BLM California does value our employees, we will do everything we can to minimize impacts to any employees.

What should an employee do for himself or herself while the study is taking place?

The best thing an employee can do is to do their job, do it well, and keep an eye to serving the customer. All employees should look at the work they do and develop ideas to do that work more effectively and efficiently - these ideas will be important in the Competitive Sourcing process as part of the "most efficient organization." In the meantime, employees should seek to understand the Competitive Sourcing process, opportunities for the employees to participate, employee rights, and options for affected employees to seek and receive assistance.

While feelings of uncertainty, stress, and/or anxiety are natural, the organization is committed to providing a supportive atmosphere to help employees be proactive in dealing with these emotions. Until the study is completed and a decision made, it is impossible to predict the outcome or degree of impact. We believe the work done in-house by our employees is being performed at the highest level of efficiency and should be very competitive.

Should I look for a new job if my name is on the list?

There is no pre-determination that the functions being studied will be contracted out. We expect the BLM employees will be very competitive when we complete the studies next year. You need to assess your own personal situation with your supervisor and decide what is best for you.

Will there be direct conversions in BLM?

Any direct conversion of an encumbered position will require a complete business case analysis, known as an "Express Study" The Express Study takes into account non-cost factors, such as:

- \$ quality of service in the area;
- \$ availability of service in the area;
- \$ flexibility;
- \$ low employee turnover rate; and
- \$ fire red card expertise.

Are there FTE reduction goals or targets for DOI or its bureaus associated with Competitive Sourcing? Has it been pre-determined that jobs will be outsourced?

No. There are no prejudged FTE reduction goals that BLM or DOI management has identified nor has it pre-determined that certain functions should be outsourced. The focus of competitive sourcing is the efficient and effective delivery of services or products to the customer.

Competitive sourcing is a process that implements change. One aspect of an organization that might change is the amount of staff needed to deliver the service or product. The scope and nature of the changes required are a result of the process and are not to be guided by any predetermined expectations.

Does competitive sourcing target blue-collar jobs?

Competitive sourcing includes the entire workforce except positions that are determined to be inherently governmental.

The inventory of commercial activities includes jobs that are “white-collar” and others that are “blue-collar.” Blue-collar jobs are not targeted per se, but by the nature of the work done, a high percent of the wage grade (blue-collar) jobs are considered commercial. Although the percentage is not as high, a large number of white-collar jobs are classified as commercial and are subject to study and competitive sourcing.

Maintenance activities, which are performed largely by wage grade employees, was chosen as the first to be studied because of the size of the program (to study an entire function at once) and the similarity of jobs.

Are all Bureaus and Offices in the Department of the Interior participating in competitive sourcing?

Yes. However, because there is a reorganization under consideration at BIA, the competitive sourcing rollout for that bureau will be delayed until after the situation is clearer. The Forest Service has identified 85% of their workforce as “commercial” as compared to BLM’s 29%.

What will BLM do for me if my job is contracted out?

If the decision is made to contract out a function, a number of organizational systems kick in to help employees. In addition to the career transition services provided by the Bureau and the Department (e.g., workshops and seminars, retaining, etc.), we hope to better assess how best to accommodate displaced workers in the workforce planning effort that all Federal agencies are required to complete by mid-2003.

The BLM has a tradition of doing all it can to help those workers that - due to circumstances beyond their control - are displaced. We would expect that tradition to continue as much as possible given our flat budgets for the foreseeable future.

The BLM’s demographics may help us better absorb and transition those employees that are adversely affected - with over 25% of our workforce eligible to retire within the next 3-5 years - we should have some flexibility with our staffing options. Your best source of advice should be your supervisor about your skills and what opportunities there may be at your office.

Are vacancies being frozen until the studies are completed?

In response to the WO’s request for a recommendation on a freeze of maintenance positions, BLM has decided that all vacant positions identified within the maintenance activities study be filled on either a term or temporary appointment basis, or through temporary promotion/detail. However, supervisory (GS and WS) positions could continue to be filled on a permanent basis with prior management approval.

What are the steps in the Express Review?

- Determine the work requirements of the function under study.
- Calculate BLM's in-house cost for performing this function.
- Conduct a Local Market Review to identify the non-federal cost for performing this function.
- Compare the in-house and non-federal cost.
- Decide, based on rules in the DOI Express Review Guide, whether to maintain the function in-house or to contract for the services.

Who should I talk to if I have more questions?

Your primary contact should continue to be your supervisor working with the contractor and Human Resources. A team is being formed that will help coordinate the study. There will be continuing dialog and communications as this process goes forward.